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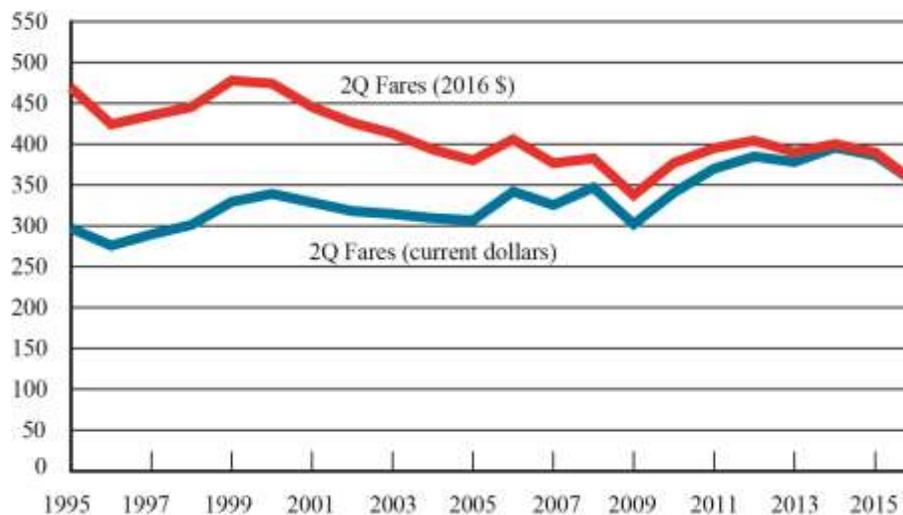
BTS Data

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2nd-Quarter 2016 Air Fare Data

The average domestic air fare decreased to \$353 in the second quarter of 2016, down 9.6 percent from \$390 in the second quarter of 2015, adjusted for inflation (Table 1), the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported today.

Figure 1. U.S. Average Domestic Fares, 2nd Quarter 1995-2016



Source: Bureau of Transportation Statistics, [BTS Air Fares, Origin and Destination Survey](#)

BTS reports average fares based on domestic itinerary fares. Itinerary fares consist of round-trip fares, unless the customer does not purchase a return trip. In that case, the one-way fare is included. One-way trips accounted for 34 percent of fares calculated for the second quarter of 2016. Fares are based on the total ticket value, which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include fees for optional services, such as baggage fees. Averages do not include frequent-flyer or “zero fares.” Constant 2016 dollars are used for inflation adjustment.

Inflation-Adjusted Air Fares

Second-quarter fares rose 17.0 percent from the recession-affected low of \$337 in 2009 to the second quarter of 2011. From the second quarter of 2011, fares fell 10.7 percent to the second quarter of 2016 (Table 1).

The second-quarter 2016 fare was down 26.2 percent from the average fare of \$478 in 1999, the highest inflation-adjusted second quarter average fare in the 21 years since BTS began collecting air fare records in 1995. Since 1995, inflation-adjusted fares declined 24.9 percent (Table 2). See [BTS Air Fare web page](#) for historic data.

In recent years, airlines have obtained additional revenue from fees charged to passengers as well as from other sources. U.S. passenger airlines collected 74.3 percent of their total revenue from passenger fares during the second quarter of 2016, down from 87.6 percent in 1995 (Table 1A).

Quarter-to-Quarter Change

Average fares have declined for six consecutive quarters after reaching an inflation-adjusted recent high of \$403 in the fourth-quarter of 2014 (Table 3).

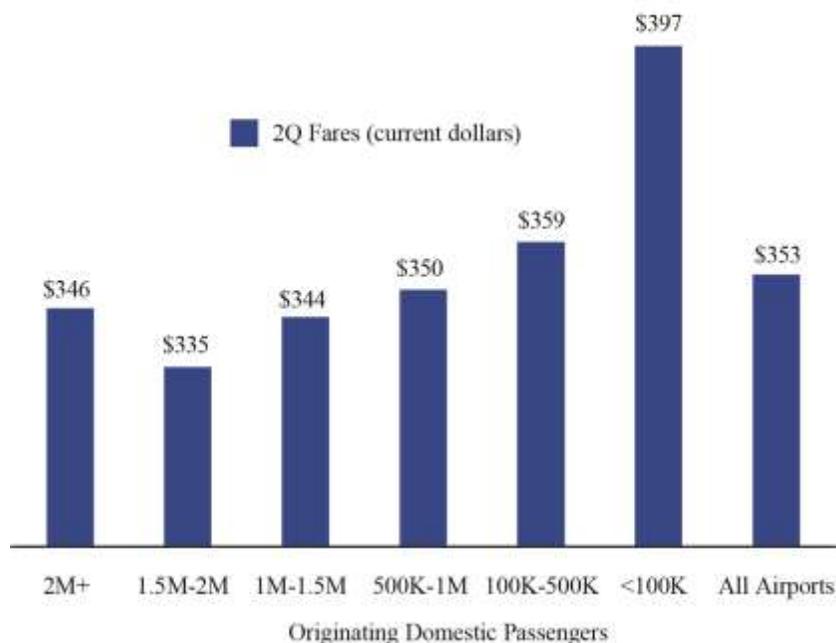
Unadjusted Air Fares

The \$353 second-quarter 2016 average fare was down 10.9 from the second quarter 2014 fare of \$396, which was the highest average fare for any second quarter since 1995. Since 1995, unadjusted fares rose 18.8 percent compared to a 58.1 percent increase in overall consumer prices (Table 4).

Second-quarter 2016 fares were down 2.4 percent from the first quarter of 2016, dropping to the lowest unadjusted level since the fourth quarter of 2010 when the average fare was \$335 (Table 5).

Fares by Airport

Figure 2. Fares by Airport Group based on Originating Domestic Passengers 2Q 2016



Of airports grouped by the number of originating passengers in the second quarter of 2016, the 11 airports with between 50,000 and 99,999 originating passengers had the highest average fares (\$397). Airports with 1.5 to 1.99 million originating passengers had the lowest average fares of any group (\$335) (Table 6).

Tables listing the airports by group can be found on the [BTS Air Fare web page](#).

For additional data, see [Top 100 Airports](#) or [All Airports](#). Since average fares are based on the [Origin and Destination Survey](#) 10 percent ticket sample, averages for airports with smaller samples may be less reliable. Fares for Alaska, Hawaii and Puerto Rico airports are not included in rankings but are available on the web page. Third-quarter 2016 average fare data will be released Jan. 24.

Table 1. 2nd Quarter Average Fare 1995-2016, Adjusted for Inflation

Year	Average Fare in constant 2016 dollars (\$)	Year-to-Year Percent Change in Average Fare (2Q to 2Q) (%)	Cumulative Percent Change in Average Fare (2Q 1995 to 2Q of each year) (%)
1995	469		
1996	424	-9.6	-9.6
1997	435	2.6	-7.2
1998	445	2.3	-5.1
1999	478	7.3	1.8
2000	474	-0.7	1.1
2001	445	-6.1	-5.1
2002	426	-4.3	-9.2
2003	413	-3.1	-12.0
2004	393	-4.7	-16.2
2005	380	-3.3	-19.0
2006	406	6.8	-13.5
2007	376	-7.2	-19.8
2008	382	1.5	-18.5
2009	337	-11.8	-28.1
2010	377	11.7	-19.7
2011	395	4.8	-15.8
2012	404	2.4	-13.9
2013	390	-3.4	-16.8
2014	400	2.5	-14.7
2015	390	-2.6	-16.9
2016	353	-9.6	-24.9

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)

Note: Percent change based on unrounded numbers

Table 1A. Passenger Airline Revenue from Fares 1990-2016

Year	Revenue from Passenger Fares as Percent of Total Scheduled Passenger Airline Operating Revenue* (%)
1990	88.5
1995	87.6
2000	88.9
2001	87.8
2002	87.1
2003	84.9
2004	80.6
2005	78.4
2006	77.6
2007	77.7
2008	75.9
2009	73.7
2010	74.8
2011	74.6
2012	74.1
2013	74.6
2014	74.8
2015	74.7
2016 (1Q)	73.7
2016 (2Q)	74.3

Source: Bureau of Transportation Statistics, P-1.2

* From [Schedule P-1.2](#): Passenger Revenue (Fares) (Acct 3901) as a percentage of Total Operating Revenues (4999).

Table 2. Percent Changes to 2016 in Average Domestic Average Fares and the Inflation Rate* by Year Since 1995

(2nd Quarter to 2nd Quarter for fares; June to June for inflation)

Since 2nd Quarter of ...	Duration in Years	Average Fare in constant 2016 dollars (\$)	Percent Change in Average Fare to 2nd Quarter 2016 (%)
2016		353	
2015	1	390	-9.6
2014	2	400	-11.9
2013	3	390	-9.7
2012	4	404	-12.8
2011	5	395	-10.7
2010	6	377	-6.4
2009	7	337	4.5
2008	8	382	-7.8
2007	9	376	-6.4
2006	10	406	-13.1
2005	11	380	-7.2
2004	12	393	-10.3
2003	13	413	-14.6
2002	14	426	-17.2
2001	15	445	-20.8
2000	16	474	-25.7
1999	17	478	-26.2
1998	18	445	-20.8
1997	19	435	-19.0
1996	20	424	-16.9
1995	21	469	-24.9

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)

* Rate calculated using Bureau of Labor Statistics Consumer Price Index

Table 3. Inflation-Adjusted Average Domestic Airline Fares by Quarter
Average Fare and Percent Change by Quarter

Average Domestic Fare (2016\$)		
Quarter/Year	Average Fare in constant 2016 dollars (\$)	Quarter-to-Quarter Percent Change in Average Fare (%)
2Q 2014	400	2.6
3Q 2014	401	0.3
4Q 2014	403	0.4
1Q 2015	396	-1.7
2Q 2015	390	-1.7
3Q 2015*	377	-3.5
4Q 2015*	369	-1.9
1Q 2016*	366	-1.1
2Q 2016*	353	-3.7

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)

Note: Percent change based on unrounded numbers

* Fares for the most recent four quarters are in current dollars, not adjusted for inflation.

Table 4. Unadjusted 2nd Quarter Average Fares, 1995-2016

Year	Average Fare in current dollars (\$)	Year-to-Year Percent Change in Average Fare (2Q to 2Q) (%)	Cumulative Percent Change in Average Fare (2Q 1995 to 2Q of each year) (%)	Inflation Rate Change to Jun 2016
1995	297			58.1
1996	276	-7.1	-7.1	53.8
1997	289	5.0	-2.5	50.4
1998	301	4.0	1.4	47.9
1999	329	9.4	11.0	45.0
2000	339	3.0	14.3	39.8
2001	329	-3.1	10.7	35.4
2002	318	-3.3	7.1	34.0
2003	315	-1.1	6.0	31.2
2004	309	-1.6	4.3	27.1
2005	307	-0.9	3.3	23.9
2006	342	11.4	15.1	18.8
2007	325	-4.7	9.6	15.7
2008	347	6.6	16.9	10.2
2009	302	-13.0	1.7	11.8
2010	341	12.9	14.8	10.6
2011	370	8.5	24.6	6.8
2012	385	4.1	29.6	5.0
2013	378	-1.7	27.4	3.2
2014	396	4.7	33.3	1.1
2015	386	-2.5	30.0	1.0
2016	353	-8.7	18.8	N/A

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)

Note: Percent change based on unrounded numbers

Table 5. Unadjusted Average Domestic Airline Fares by Quarter
Average Fare and Percent Change by Quarter

Average Domestic Fare (current\$)		
Quarter/Year	Average Fare in current dollars (\$)	Quarter-to-Quarter Percent Change in Average Fare (%)
2Q 2014	396	3.5
3Q 2014	396	0.2
4Q 2014	393	-0.9
1Q 2015	388	-1.1
2Q 2015	386	-0.6
3Q 2015	372	-3.7
4Q 2015	363	-2.5
1Q 2016	361	-0.4
2Q 2016	353	-2.4

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)
Note: Percent change based on unrounded numbers

Table 6. Fares at Airports Grouped by Originating Passengers
Top 100 Airports* Based on 2016 U.S. Originating Domestic Passengers

Airport Groups based on 2Q 2016 Originating Passengers	Average Fare 2nd Quarter 2016 (\$)	Percent of Total Passengers
2 million+	346	25
1.5-1.99 million	335	17
1.0-1.49 million	344	18
500-999,000	350	24
100-499,000	359	15
50-99,000	397	1
Average Fare at All Airports	353	100

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)
* Not including Alaska, Hawaii or Puerto Rico